IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH.

I.T.A. No.429 of 2006
Date of decision: 13.11.2006

The Commissioner of Income Tax-III, Ludhaina.

---Appellant

Vs.

M/s Nahar Spinning Mills Ltd., Ludhiana.

---Respondent.

CORAM:- HON'BLE MR JUSTICE ADARSH KUMAR GOEL
HON'BLE MR JUSTICE RAJESH BINDAL

Present: Mr. S.K. Garg Narwana, Advocate
for the revenue.

ORDER:

This appeal has been preferred by revenue against the order dated 31.05.2005 of Income Tax Appellate Tribunal, Chandigarh Bench "A" in I.T.A. No.60/CHANDI/97 in respect of the assessment year 1994-95 proposing following substantial question of law:-

> "Whether on the facts and in the circumstances of the case, the Hon'ble ITAT was right in law in holding that Central Sales Tax, and Sales Tax be excluded from the total turnover of the assessee while computing deduction u/s 80HHC?"

It has not been disputed that identical issue has been decided by this Court on 22.05.2006 in I.T.A. No.293 of 2005, ***Commissioner of Income Tax-I, Ludhiana v. M/s Vardhman Polytex Ltd.,Chandigarh Road, Ludhiana***, wherein it was held that Sales Tax and Central Sales Tax cannot be included in total turnover of the assessee for computing deduction under Section 80HHC of the Income-tax Act, 1961.

In view of above, we do not find any merit in this appeal and the same is dismissed.

(ADARSH KUMAR GOEL)
JUDGE

November 13, 2006
ashwani

(RAJESH BINDAL)
JUDGE